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# STATE OF INDIANA

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DEPARTMENT OF LOCAL GOVERNMENT FINANCE



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**TO: School Superintendents**

**FROM: Budget Division, Department of Local Government Finance**

**SUBJECT: Excessive Levy Appeals**

**DATE: June 2007**

**NOTE: Excessive levy appeal requests must be filed before September 20, 2007.**

There are six types of excessive levy appeals that a school corporation may request to the Department of Local Government Finance.

- A) Operating Cost of a New Facility (IC 20-45-5)
- B) Emergency Financial Relief (IC 20-45-6-2)
- C) Property Tax Levy Shortfall (IC 20-45-6-5)
- D) Referendums (IC 20-46-1)
- E) Transportation Operational Increase (IC 20-46-4-10)
- F) Transfer Tuition (IC 20-45-6-8)

A School Corporation may appeal to the Department of Local Government Finance for approval of an excessive levy appeal **BEFORE SEPTEMBER 20**. The appeal petition should be made by resolution of the School Corporation's governing body along with a detailed statement of facts. A suggested outline of the appeal petition is attached.

## **APPEAL PROCEDURES:**

- 1) The School Corporation advertises a budget and levy for the ensuing year. A public hearing is held pursuant to IC 6-1.1-17-3. The advertised budget and levy should include the school's excessive levy amount.
- 2) The School Corporation must advertise the total amount of excessive levy appeal within the estimated budget levy and on the excessive levy appeal line on budget form 3. **The appeal amount must be advertised on both the excessive levy appeal line and included in the estimated general fund or transportation fund levy. Failure to include the appeal levy in both places may result in denial of the appeal request.**
- 3) The School Corporation adopts the proposed or modified budget, rate and levy for the ensuing year on or before September 30, as required by IC 6-1.1-17-5.

- 4) The governing body may adopt an appeal resolution on the adoption date, after adopting the budget, rate and levy, before September 20. **Appeal petitions are sent to the Department of Local Government Finance office in Indianapolis.**
- 5) Copies of the annual budgets are forwarded to the County Auditor, as provided by statute. The budget is reviewed by the County Board of Tax Adjustment. The tax adjustment board, or in the absence of such the county auditor, may not approve an excess levy. For this reason, appeals to the Department of Local Government Finance for excessive levies are also considered appeals against the action of the tax adjustment board.
- 6) Department of Local Government Finance Hearing Officers conduct annual budget hearings. The Hearing Officer will consider the appeal in the budget, rate and levy recommended for approval.
- 7) Following receipt of the School Corporation's appeal petition by the Department of Local Government Finance in Indianapolis, the matter will be referred to the School Property Tax Control Board (SPTCB). The School Corporation will be notified of the time and the place of their hearing. School officials may be asked to supply information the Control Board feels pertinent to the appeal. Following the SPTCB Hearing, a recommendation on the excessive levy appeal request will be forwarded to the Department of Local Government Finance (Department).
- 8) The Department will consider the SPTCB recommendation along with other pertinent information and make a final decision. The School Corporation will be notified of the Department's final action on the excess levy request.
- 9) The Department will not consider excessive levy appeals that are in excess of three years old. A school asking for consideration of an appeal will be held to this timetable.

**NOTE: If your School Corporation has not been notified by December 1 of an excessive levy appeal hearing date, immediately contact the Budget Division.**

**Officials must file the following information regarding an excessive levy appeal.**

- 1) Proofs of publication for the ensuing budget year;
- 2) School board resolution to adopt an excessive levy appeal;
- 3) Completed excessive levy appeal application;
- 4) A petition requesting consideration of an excessive levy appeal; and
- 5) Any other information related to the excessive levy appeal request.

#### **A) NEW FACILITY APPEAL IC 20-45-5**

A school corporation may appeal for an increase of its adjusted base levy due to the opening and operation of a new facility. The SPTCB will consider the increased cost in complying with safety, health, space, heat or lighting standards and other physical operating cost which justify an increase in the corporation's base levy. Increased costs due to certified staff, transportation, or curriculum will not be considered. A

completed information sheet will be requested of all school corporations requesting this type of appeal. A copy of the current information sheet is attached.

The School Corporation is required to notify taxpayers of any projected new facility appeals as part of the process of incurring debt for a capital project. This is to alleviate any concerns about hidden costs associated with new construction projects and to provide taxpayers with a more realistic estimate of costs.

Additional costs associated with a new facility appeal should be broken down as requested on the attached worksheet.

The Department cannot approve a levy increase resulting from a new facility appeal in an amount that would allow the school corporation to collect a levy in excess of that initially advertised and adopted by the appellant school corporation. The levy increase from this type of appeal is a permanent portion of the corporation's adjusted base levy.

*Information sheets are attached for use in requesting a new facility appeal.*

## **B) APPEALS FOR EMERGENCY FINANCIAL RELIEF IC 20-45-6-2**

A school corporation, that resolves it cannot carry out its educational duty committed to it by law, may appeal for emergency financial relief. The budget, rate and levy adopted by the School Corporation should accommodate the anticipated needs for the ensuing year. The appeal resolution should contain a detailed statement of facts and be sent to the Department in Indianapolis.

The Department will refer the petition to the SPTCB. Additional information may be requested from the School Corporation to support its contentions. The control board will review the information and conduct a hearing. If it concludes that Emergency Financial Relief is needed, a recommendation will be made to approve one or more of the following forms of relief:

- 1) a grant or grants from any funds of the state that are available for such purpose;
- 2) a loan or loans from any funds of the state that are available for such purpose;
- 3) permission of the appellant school corporation to borrow funds from a source other than the state or assistance in obtaining the loan;
- 4) an advance or advances of funds that will become payable to the appellant school corporation under any law providing for the payment of state funds to school corporations;
- 5) permission of the school corporation to:
  - (A) cancel any unpaid obligation of the appellant school corporation's general fund to the appellant school corporation's cumulative building fund; or
  - (B) use for general fund purposes, any unobligated balance in the appellant school corporation's cumulative building fund and the proceeds of any levy made or to be made by the appellant school corporation for the appellant school corporation's cumulative building fund;

- 6) permission to use, for general fund purposes, any unobligated balance in any construction fund, including any unobligated proceeds of a sale of the school corporation's general obligation bonds; or
- 7) a combination of the emergency financial relief described in (1) through (6).

**The control board may also recommend an excessive tax levy for the ensuing year. However, the excess tax levy would require a *referendum* be conducted in accordance with law. For referendum purposes, the School Corporation must provide the SPTCB and DLGF Commissioner the maximum tax rate requested of taxpayers.**

If the relief approved is a loan, the Department may authorize the School Corporation to collect a general fund excess levy for repayment of the loan. This excessive levy may not be collected for more than one in every four calendar years. (See IC 20-45-6-3(f)) Emergency Financial Relief does not result in a permanent increase in the corporation's adjusted base levy.

Along with the relief granted, the School Corporation must obtain approval from the SPTCB and the DLGF before taking the following actions:

- i) Acquisition of real estate, construction of new buildings, and renovation and remodeling of existing buildings, and:
- ii) Making any lease of real or personal property, or other contractual obligation exceeding \$10,000. Employment contracts for new employees superseding the contract of an existing employee are exempt from this restriction.
- iii) Purchase of personal property in consideration of more than \$10,000.
- iv) The advertisement or adoption of a budget, rate or levy.

*Information sheets are attached for use in requesting an appeal for emergency financial relief.*

### **C) SCHOOL SHORTFALL APPEAL IC 20-45-6-5**

A school corporation may appeal for the purpose of making up a property tax shortfall that resulted when erroneous assessed values were used to determine the corporation's tax rate, and the error was discovered after the Department approved the tax rates. When delinquencies in property tax payments occur, shortfall appeals are not applicable.

As previously noted, the School Corporation would advertise and adopt a levy that includes the increase to make up the shortfall. The appeal petition should describe the facts relating to the shortfall, if known. In extreme circumstances, the School Corporation may also request emergency financial relief for the current year due to the loss of shortfall income. The petition will be referred to the SPTCB, who may require additional information from the School Corporation for its recommendation.

Normally, a school corporation discovers the existence of a levy shortfall in late December and is unable to appeal until the following year. In this case, the documents would be readily available. They should include information from the County Auditor about the actual assessed value, certificates of errors issued, refunds made and copies of Form 22, Auditor's Certificate of June and December Tax Distribution. If the School Corporation has been informed of a current year shortfall, the issue cannot be determined until the tax distribution is made in late December. The Department will attempt to accommodate special circumstances regarding current year shortfalls whenever possible, but only when the appeal is necessitated by the school's financial position.

The levy increase to recover a shortfall is not a permanent increase to the School Corporation's adjusted base levy. If a levy increase is recommended by the SPTCB, and approved by the Department, then the annual approval order will contain the levy increase. The School Corporation will be notified by mail if the appeal is denied.

**Schools may file a shortfall appeal through December 31 for ensuing year budget purposes. The appeal form allows school corporations the opportunity to forward the shortfall appeal directly to the Commissioner for consideration in lieu of a hearing with the School Property Tax Control Board. School corporations that wish to defer action on the shortfall appeal must indicate so on the shortfall appeal form. Schools are still held to the advertisement and adoption process for a current year shortfall.**

*An information sheet is attached for requesting a property tax shortfall appeal.*

#### **D) REFERENDUMS IC 20-46-1**

A school corporation may petition the Department of Local Government Finance for permission to conduct a referendum to increase its adjusted base levy. The appeal petition should state whether the proposed referendum would be used to fund new programs or existing financing, and the amount of the increase to the adjusted base levy requested. A referendum is an increased levy raised through a special fund titled, "referendum fund" for a period not to exceed seven (7) years. However, a referendum tax levy may be reimposed or extended under the law.

The petition will be forwarded to the SPTCB who will inform the School Corporation of a date and time for a hearing on the issue. If the Department of Local Government Finance approves the referendum, the Administrative Officer of the SPTCB will certify the question to the County Clerk for submission to the voters in the school district. The County Clerk will call a meeting of the county election board to make the arrangements for the referendum after receiving the question.

The referendum shall be held in the next general election if one is to be held no more than sixty (60) days after the question is so certified to the County Clerk. If a general election is not to be held within sixty (60) days after receiving the certified question, a special election shall be held not sooner than sixty (60) days after the question is certified. The School Corporation may request a date for the special election to be held, and if practicable, the election will be held on that date. If the referendum cannot be held in a general election, the School Corporation will pay the cost of the election. If the majority of voters in a referendum

to allow the school corporation to impose a referendum tax levy do not vote to approve the levy, another referendum may not be held for a period of one year.

Pursuant to IC 20-4-3-2, a school corporation may impose a referendum tax levy in an amount allowed under IC 20-46-1-6 for the school corporation. *Property tax collections from the implementation of the referendum fund tax levy will be deposited in the referendum fund and used for any lawful school expenses.* The referendum fund is not eligible for property tax replacement credits.

**School corporations pursuing a referendum appeal must provide the School Property Tax Control Board and Commissioner of the Department of Local Government Finance with the maximum tax rate under consideration by taxpayers. If the referendum is successful, school corporations will be held to the lesser of the maximum tax rate or maximum tax levy advertised or adopted for referendum purposes.**

#### **E) TRANSPORTATION OPER. INCREASE OF AT LEAST TEN PERCENT IC 20-46-4-10**

A school corporation may appeal to the Department to increase the maximum operating costs levy that is permitted for the school corporation's operating costs account for the transportation fund.

IC 20-46-4-10 reads, "(a) A school corporation may appeal to the Department of Local Government Finance under this chapter to increase the maximum operating costs levy that is permitted for the school corporation's operating costs account for its transportation fund established under IC 21-2-11.5. To be granted an increase by the Department of Local Government Finance, the school corporation must establish that the increase is necessary because of a transportation operating increase of at least ten percent (10%) over the preceding year as the result of at least one (1) of the following:

- 1) A fuel expense increase.
- 2) A significant increase in the number of students enrolled in the School Corporation that need transportation or a significant increase in the mileage traveled by the school corporation's buses compared to the previous year.
- 3) A significant increase in the number of students enrolled in special education that need transportation or a significant increase in the mileage traveled by the school corporation's buses due to students enrolled in special education as compared to the previous year.
- 4) Increased transportation operating costs due to compliance with a court ordered desegregation plan addition, before the Department may grant a maximum operating costs account levy, the school corporation must establish that the school corporation will be unable to provide transportation services without an increase. The Department may grant a maximum operating costs levy increase that is less than the increase requested by the School Corporation.
- 5) The closure of a school building within the School Corporation resulting in a significant increase in the distances students must be transported to attend another school building.

(b) If the Department of Local Government Finance determines that a permanent increase in the maximum permissible operating costs levy is necessary, the maximum operating costs levy after the increase granted under this section becomes the school corporation's maximum permissible transportation fund's operating costs account levy under IC 21-2-11.5."

The Department cannot approve a levy increase resulting from a transportation operating increase that would authorize the school corporation to collect a levy in excess of that initially advertised and adopted by the appellant school corporation. The levy increase from this type of appeal is a permanent portion of the corporation's Transportation Maximum Levy limit.

*Information sheets are attached for use in requesting a transportation appeal.*

This is the formula the Department of Local Government Finance uses to review transportation operating appeals.

$$\frac{\text{2008 budget}}{\text{2007 budget}} = \% \text{ increase in budget}$$

$$\% \text{ increase in budget minus maximum levy growth factor multiplied by 2008 transportation maximum levy} = \text{Levy Increase Allowed}$$

For example:

2008 budget = \$6,151,060

2007 budget = \$5,064,791

Maximum levy growth factor = 1.05

2008 Transportation maximum levy - \$3,556,115

$$6,151,060 / 5,064,791 = 1.2146 - 1.05 = 1.1646. \quad .1646 \times 3,556,115 \text{ is approximately } \$585,270 \text{ (rounded)}$$

#### **F) TRANSFER TUITION IC 20-45-6-8**

IC 20-45-6-8 reads, "(a) A school corporation may conduct an analysis of the school corporation's:

- (1) total transfer tuition payments actually made or estimated to be made on behalf of students transferring from the school corporation; and
- (2) total revenue actually received or estimated to be received by the school corporation on behalf of students transferring from the school corporation;

to determine the net financial impact of transfer tuition on the particular school corporation for the school year ending in the calendar year immediately preceding the ensuing calendar year or the calendar year that immediately precedes the ensuing calendar year by two (2) years, or both. If the school corporation determines from the analysis that the amount of revenue received by the school corporation under subdivision (2) is less than the amount of transfer tuition payments made by the

school corporation under subdivision (1) and subdivision (2) amounts in the school corporation's appeal for an excessive levy under this chapter. However, a school corporation may not include the amount of a particular deficit in more than one (1) appeal.

(b) A school corporation may appeal to the Department of Local Government Finance under this chapter to increase the school corporation's maximum permissible general fund levy for the following year by the amount described in subsection (a). Upon demonstration by the school corporation to the Department of Local Government Finance that the amount of the transfer tuition payments received by the school corporation under subsection (a)(2) is less than the amount of transfer tuition payments made by the school corporation under subsection (a)(1), the Department shall grant the increase described in this section.

(c) If a school corporation is granted an increase under this section, the amount attributable to the increase may not be included in the school corporation's adjusted base levy for the year following the year in which the increase applies or the school corporation's determination of tuition support.

(d) A levy increase described in this section may be based on an estimate of transfer tuition payments paid or received by a school corporation. If the actual difference between the transfer tuition payments made by a school corporation and the transfer tuition payments received by a school corporation for a school year is less than the estimate used to grant a levy increase described in this section, the Department of Local Government Finance may reduce the levies imposed by a school corporation by the amount of the overage.

## **MATHEMATICAL ERRORS IC 20-45-4-8**

In addition to the appeals previously mentioned, the SPTCB may recommend to the Department for the correction of the data errors which affect the adjusted base levy, excessive tax levy, and maximum normal levy of a school corporation.

The Department may correct mathematical errors in data for any school corporation.



**PETITION TO APPEAL**

The School Board of the \_\_\_\_\_ School Corporation,  
\_\_\_\_\_ County, State of Indiana, has determined to file for an excess levy appeal.

(Please check the appropriate excessive levy appeal(s) and provide the amount(s) the School Corporation is requesting:

Transportation appeal: \_\_\_\_\_ Amount requested: \_\_\_\_\_  
To increase the Transportation Maximum Levy Limit due to operating increases in excess of ten percent (10%) pursuant to IC 20-46-4-10.

New Facility appeal: \_\_\_\_\_ Amount requested: \_\_\_\_\_  
To increase the adjusted base levy to operate \_\_\_\_\_,  
which is a new facility, pursuant to IC 20-45-5.

Shortfall appeal: \_\_\_\_\_ Amount requested: \_\_\_\_\_  
To recover a levy shortfall, pursuant to IC 20-45-6-5.

Emergency Financial Relief appeal: \_\_\_\_\_ Amount requested: \_\_\_\_\_  
The school cannot carry out its educational duty committed to it by law without granting of relief, pursuant to IC 20-45-6-2.

Transfer Tuition appeal: \_\_\_\_\_ Amount requested: \_\_\_\_\_  
To increase its maximum permissible general fund levy for the following year, pursuant to IC 20-45-6-8.

Referendum appeal: \_\_\_\_\_ Rate requested: \_\_\_\_\_  
To increase its maximum permissible general fund levy through a referendum pursuant to IC 20-46-1 for a period up to seven years.

The governing body of said school corporation hereby resolved to proceed with a petition for an Excess Levy/Emergency Financial Relief to the Department of Local Government Finance.

Adopted this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

FOR

AGAINST

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

ATTEST: \_\_\_\_\_

**TRANSPORTATION OPERATING FUND APPEAL IC 20-46-4-10**

**School Corporation Name:** \_\_\_\_\_

**County:** \_\_\_\_\_

**Amount requested \$** \_\_\_\_\_ **Tax rate impact \$** \_\_\_\_\_

**Did the School District Board advertise/adopt a levy and tax rate high enough to allow an excessive levy appeal? Y\_\_\_\_\_ N \_\_\_\_\_**

**(Please provide proof(s) of publication with appeal documentation)**

**The need for a levy increase is due to:**

**1. FUEL INCREASE:**

2007 gallon _____	x Per gallon price _____	= _____
2008 gallon _____	x Per gallon price _____	= _____
	Increase	_____

**2) SIGNIFICANT CHANGE IN NUMBER OF STUDENTS TRANSPORTED OR MILES TRAVELED:**

2007 Students transported _____	2007 Miles traveled _____
2008 Students transported (Est.) _____	2008 Est. miles traveled _____
Difference _____	Difference _____

**3) SIGNIFICANT CHANGE IN NUMBER OF SPECIAL EDUCATION STUDENTS TRANSPORTED OR MILES TRAVELED BY BUSES TRANSPORTING SPECIAL EDUCATION STUDENTS:**

2007 Special Education Students Transported _____
2008 Special Education Students Transported (Est.) _____
Difference _____

2007 Special Education Miles Transported _____
2008 Special Education Miles Transported (Est.) _____
Difference _____

**4) CHANGE IN TRANSPORTATION OPERATING COSTS DUE TO COURT ORDERED DESEGREGATION PLAN:**

2007 Transportation Desegregation Expense _____
2008 Transportation Desegregation Expense (Est.) _____
Difference _____

5) CLOSURE OF A BUILDING WITHIN THE SCHOOL CORPORATION THAT RESULTS IN A SIGNIFICANT INCREASE IN THE DISTANCES STUDENTS MUST BE TRANSPORTED TO ANOTHER SCHOOL BUILDING

2007 Miles traveled \_\_\_\_\_ Date of closure: \_\_\_\_\_  
 2008 Miles traveled (Est.) \_\_\_\_\_  
 Building that closed: \_\_\_\_\_

**Please complete the following sections to provide more detail on the transportation appeal:**

Has the school corp. added any new transportation positions during the last three years?  
 Y N

If yes, please provide a list of positions and costs.

Position	Year Added	Salary	Benefits	Total Costs
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

**Assessed valuation growth during the last five years:**

Year	Assessed valuation	Percentage inc/dec from previous year
2003 p 2004	_____	_____
2004 p 2005	_____	_____
2005 p 2006	_____	_____
2006 p 2007	_____	_____
2007 p 2008 (projected)	_____	_____
Student Count - ADM		

Year _____	Reg. Ed.	Special Ed.	Voc. Ed.	# Bus Routes
A. Eligible Pupil Count	_____	_____	_____	_____
B. Round Trip Mileage	_____	_____	_____	_____
C. Linear Density (A/B)	_____	_____	_____	_____

Year _____	Reg. Ed.	Special Ed.	Voc. Ed.	# Bus Routes
A. Eligible Pupil Count	_____	_____	_____	_____
B. Round Trip Mileage	_____	_____	_____	_____
C. Linear Density (A/B)	_____	_____	_____	_____

Year _____	Reg. Ed.	Special Ed.	Voc. Ed.	# Bus Routes
A. Eligible Pupil Count	_____	_____	_____	_____
B. Round Trip Mileage	_____	_____	_____	_____
C. Linear Density (A/B)	_____	_____	_____	_____

Year _____	Reg. Ed.	Special Ed.	Voc. Ed.	# Bus Routes
A. Eligible Pupil Count	_____	_____	_____	_____
B. Round Trip Mileage	_____	_____	_____	_____
C. Linear Density (A/B)	_____	_____	_____	_____

Year _____	Reg. Ed.	Special Ed.	Voc. Ed.	# Bus Routes
A. Eligible Pupil Count	_____	_____	_____	_____
B. Round Trip Mileage	_____	_____	_____	_____
C. Linear Density (A/B)	_____	_____	_____	_____

Year _____	Reg. Ed.	Special Ed.	Voc. Ed.	# Bus Routes
A. Eligible Pupil Count	_____	_____	_____	_____
B. Round Trip Mileage	_____	_____	_____	_____
C. Linear Density (A/B)	_____	_____	_____	_____

Year _____	Reg. Ed.	Special Ed.	Voc. Ed.	# Bus Routes
A. Eligible Pupil Count	_____	_____	_____	_____
B. Round Trip Mileage	_____	_____	_____	_____
C. Linear Density (A/B)	_____	_____	_____	_____

Comments:

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Appeal Formula: Historically, the Department of Local Government Finance used the following formula in its review of transportation operating appeals.

$$\frac{\text{2008 budget}}{\text{2007 budget}} = \% \text{ increase in budget}$$

$\% \text{ increase in budget minus maximum levy growth factor multiplied by 2005}$   
transportation maximum levy = Levy Increase Allowed

Example:

2008 budget = \$6,151,060

2007 budget = \$5,064,791

Maximum levy growth factor = 1.05

2008 Transportation maximum levy - \$3,556,115

**$6,151,600 / 5,064,791 = 1.2146 - 1.05 = 1.1646$ .  $.1646 \times 3,556,115$  is approximately \$585,270 (rounded)**

**School Calculation:**

- A. 2008 budget = \$ \_\_\_\_\_  
B. 2007 budget = \$ \_\_\_\_\_  
C. Maximum levy growth factor = \_\_\_\_\_  
D. 2008 Transportation maximum levy = \$ \_\_\_\_\_

Line A / Line B = factor

Factor - (1.0 + Line C) = eligible appeal factor

Eligible appeal factor \* Line D = Eligible increase in maximum levy increase

<b>ACCOUNTS TO BE CONSIDERED FOR INCREASED LEVY</b>						
<b>Account Name and Number to be Considered for a Transportation Appeal</b>	<b>*Column 1 2004 Actual Expenditures</b>	<b>*Column 2 2005 Actual Expenditures</b>	<b>*Column 3 2006 Actual Expenditures</b>	<b>Column 4 2007 Certified Appropriations</b>	<b>Column 5 2008 Projected Expenditures</b>	<b>Column 6 2008 Estimated Budget</b>
25520 Vehicle Operations						
25530 Monitoring Services						
25540 Vehicle Service Maintenance						
25560 Bus Insurance						
25570 Insurance on Pupils						
25580 Contracted Pupil Transp. Service						
25590 Other Pupil Transp. Service						
25591 Bus Driver Training						
26491 PERF						
26492 Social Security						
26493 Workmen's Comp.						
26494 Group Insurance						
26496 Unemployment Comp.						
26497 Teachers Retirement Fund						
26498 Severance/Early Retirement Pay						
Other						
Other						
Other						
Total Operating Expenses						

**Amount of change from previous year: Col. 6 minus Col. 4 divided by Col. 4 = \_\_\_\_\_ % change**

**Percentage change must be a minimum of ten percent (10%) to have consideration of an appeal.**

**\*If totals do not agree with your Calendar Financial Report submitted to DOE, please provide a detailed explanation.**

NEW FACILITY APPEAL IC 20-45-5

**School Corporation:** \_\_\_\_\_

**County:** \_\_\_\_\_

Please complete the requested information on both sheets regarding a request for a levy increase.

1. The need for a levy increase is due to:  
\_\_\_\_\_ Opening a new facility  
\_\_\_\_\_ Additions to an existing facility  
\_\_\_\_\_ Major remodeling of an existing facility (closed for 3 years)
2. Total amount of excessive levy appeal request: \_\_\_\_\_  
Individual facility breakdowns will follow.
3. Tax rate impact based on total appeal request: \_\_\_\_\_
4. Did your Board advertise/adopt a levy and tax rate high enough to allow for an excessive levy appeal? Y\_\_\_\_ N\_\_\_\_
5. As required, were taxpayers informed of this appeal before construction of the addition, remodeling or new facility? Yes \_\_\_\_\_ No \_\_\_\_\_

**Facility information: If there is more than one facility, list in order of date of occupancy**

**Name of the facility:** \_\_\_\_\_

Date of Occupancy _____	Addition _____
	New facility _____
	Facility closed; now reopened _____

Square feet of new facility	_____
Square feet of building demolished	_____
Square feet of building abandoned	_____
Net square footage increase	_____

Total square ft. of buildings in operation before new facility was occupied:

Total square footage of buildings in operation after this facility was occupied: (include non-student buildings)

Year\_\_\_\_\_ # of Buildings\_\_\_\_\_ Total square  
feet\_\_\_\_\_

How is the building heated? Gas\_\_\_\_\_ Fuel Oil\_\_\_\_\_ Electric\_\_\_\_\_  
Other\_\_\_\_\_

Type of heating system:

\_\_\_\_\_

Current unit cost of utilities:	2007	2008
Gas per cubic ft.	_____	_____
Fuel Oil 1-gallon	_____	_____
Electricity: per kilowatt hour	_____	_____
Other_____	_____	_____

Annual operating cost increase for this facility \$\_\_\_\_\_

Number of months for increased levy: \_\_\_\_\_

Levy increase for this facility \$\_\_\_\_\_ Rate impact \$\_\_\_\_\_

**Name of the facility:**\_\_\_\_\_

Date of Occupancy _____	Addition _____
	New facility _____
	Facility closed; now reopened _____

Square feet of new facility \_\_\_\_\_  
Square feet of building demolished \_\_\_\_\_  
Square feet of building abandoned \_\_\_\_\_  
Net square footage increase \_\_\_\_\_

Total square ft. of buildings in operation before new facility was occupied:

Total square footage of buildings in operation after this facility was occupied: (include non-student buildings)

Year\_\_\_\_\_ # of Buildings\_\_\_\_\_ Total square  
feet\_\_\_\_\_

How is the building heated? Gas\_\_\_\_\_ Fuel Oil\_\_\_\_\_ Electric\_\_\_\_\_  
Other\_\_\_\_\_

Type of heating system:

\_\_\_\_\_



Current unit cost of utilities:	2007	2008
Gas per cubic ft.	_____	_____
Fuel Oil 1-gallon	_____	_____
Electricity: per kilowatt hour	_____	_____
Other _____	_____	_____

Annual operating cost increase for this facility \$ \_\_\_\_\_  
 Number of months for increased levy: \_\_\_\_\_  
 Levy increase for this facility \$ \_\_\_\_\_ Rate impact \$ \_\_\_\_\_

**Name of the facility:** \_\_\_\_\_

Date of Occupancy _____	Addition _____
	New facility _____
	Facility closed; now reopened _____

Square feet of new facility \_\_\_\_\_  
 Square feet of building demolished \_\_\_\_\_  
 Square feet of building abandoned \_\_\_\_\_  
 Net square footage increase \_\_\_\_\_

Total square ft. of buildings in operation before new facility was occupied:

Total square footage of buildings in operation after this facility was occupied: (include non-student buildings)

Year _____	# of Buildings _____	Total square feet _____
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How is the building heated? Gas \_\_\_\_\_ Fuel Oil \_\_\_\_\_ Electric \_\_\_\_\_  
 Other \_\_\_\_\_

Type of heating system:  
 \_\_\_\_\_

Current unit cost of utilities:	2007	2008
Gas per cubic ft.	_____	_____
Fuel Oil 1-gallon	_____	_____
Electricity: per kilowatt hour	_____	_____
Other _____	_____	_____

Annual operating cost increase for this facility \$ \_\_\_\_\_  
 Number of months for increased levy: \_\_\_\_\_  
 Levy increase for this facility \$ \_\_\_\_\_ Rate impact \$ \_\_\_\_\_

**Name of the facility:** \_\_\_\_\_

Date of Occupancy \_\_\_\_\_ Addition \_\_\_\_\_

New facility \_\_\_\_\_

Facility closed; now reopened \_\_\_\_\_

Square feet of new facility \_\_\_\_\_

Square feet of building demolished \_\_\_\_\_

Square feet of building abandoned \_\_\_\_\_

Net square footage increase \_\_\_\_\_

Total square ft. of buildings in operation before new facility was occupied:

Total square footage of buildings in operation after this facility was occupied: (include non-student buildings)

Year \_\_\_\_\_ # of Buildings \_\_\_\_\_ Total square  
feet \_\_\_\_\_

How is the building heated? Gas \_\_\_\_\_ Fuel Oil \_\_\_\_\_ Electric \_\_\_\_\_  
Other \_\_\_\_\_

Type of heating system:

\_\_\_\_\_

Current unit cost of utilities:	2007	2008
Gas per cubic ft.	_____	_____
Fuel Oil 1-gallon	_____	_____
Electricity: per kilowatt hour	_____	_____
Other _____	_____	_____

Annual operating cost increase for this facility \$ \_\_\_\_\_

Number of months for increased levy: \_\_\_\_\_

Levy increase for this facility \$ \_\_\_\_\_ Rate impact \$ \_\_\_\_\_

**COMPLETE INDIVIDUAL PAGE FOR EACH NEW FACILITY**  
**USE THE FOLLOWING INSTRUCTIONS TO COMPLETE THIS PAGE:**

Columns 1 and 2: Use current and proposed information to complete these columns

Column 3: Compute the difference between Columns 1 and 2.

Column 4: Indicate only costs directly related to the facility. Identify any estimates and show how you arrived at the estimate on a separate sheet if needed.

For example: Object 100-Added 1 janitor @ \$17,000 year 1 part-time janitor @ 15hrs./wk. @ \$5.00 per hour.

Facility: \_\_\_\_\_ Net square ft. \_\_\_\_\_

<b><u>ACCOUNTS TO BE CONSIDERED FOR INCREASED LEVY</u></b>				
	Column 1	Column 2	Column 3	Column 4
	CURRENT YEAR FACILITIES OPERATING COST FOR YEAR OF OCCUPANCY (WITHOUT NEW FACILITY) 2_____	FACILITIES OPERATING COST FOR FIRST FULL YEAR OF OCCUPANCY 2_____	DIFFERENCE BETWEEN COLUMN 1 AND COLUMN 2	INCREASED OPER. COSTS DIRECTLY RELATED TO THIS NEW FACILITY
<b>25400 (Operation and maintenance of plant services) (except 25410)</b>	25400 (except 25410) _____	_____	_____	_____
<b>Object 100 Salaries</b>	Object 100 _____	Object 100 _____	_____	_____
<b>Object 320 Property Services</b>	25400 Object 320 _____	25400 Object 320 _____	_____	_____
<b>Object 380 Utility Services</b>	25400 Object 380 _____	25400 Object 380 _____	_____	_____
<b>Object 400 Supplies and Materials</b>	25400 Object 400 _____	25400 Object 400 _____	_____	_____
<b>Object 540 Equipment</b>	25400 Object 540 _____	25400 Object 540 _____	_____	_____
<b>Object 550 Vehicles</b>	25400 Object 550 _____	25400 Object 550 _____	_____	_____
<b>TOTAL</b>	<b>TOTAL</b> _____	<b>TOTAL</b> _____	_____	_____
<b>26491 PERF Object 200 Employee Benefits</b>	26491 Object 200 _____	26491 Object 200 _____	_____	_____
<b>26492 SOCIAL SECURITY Object 200 Employee Benefits</b>	26492 Object 200 _____	26492 Object 200 _____	_____	_____
<b>26493 WORKMAN'S COMPENSATION Object 200 Employee Benefits</b>	26493 Object 200 _____	26493 Object 200 _____	_____	_____
<b>26494 GROUP INSURANCE Object 200 Employee Benefits</b>	26494 Object 200 _____	26494 Object 200 _____	_____	_____
<b>26496 UNEMPLOYMENT COMPENSATION Object 200 Employee Benefits</b>	26486 Object 200 _____	26486 Object 200 _____	_____	_____
<b>TOTAL:</b>	<b>TOTAL:</b> _____	<b>TOTAL:</b> _____	_____	_____
<b>GRAND TOTAL:</b>	<b>GRAND TOTAL</b> _____	<b>GRAND TOTAL</b> _____	_____	_____

## TRANSFER TUITION

School Corporation: \_\_\_\_\_

County: \_\_\_\_\_

Calendar year(s) applying for: \_\_\_\_\_  
(cannot exceed two-year period)

Amount of transfer tuition appeal request: \_\_\_\_\_ Tax rate impact: \_\_\_\_\_

## TRANSFER TUITION REVENUES

Date of receipt	From	Amount
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	Total (A)	_____

## TRANSFER TUITION EXPENDITURES

Date of expenditure	To	Amount
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	Total (B)	_____

Total (A) less Total (B) = \_\_\_\_\_

If the answer is negative, the school may qualify for that amount.

**PROPERTY TAX SHORTFALL DUE TO ERRONEOUS ASSESSED  
VALUATION**

(Appeal is only applicable to the general and transportation operating funds)

**School Corporation:** \_\_\_\_\_

**County:** \_\_\_\_\_

**School corporations may file for a shortfall appeal until December 31 of the current year. Schools can opt to request the DLGF Commissioner take action on the shortfall appeal without a SPTCB recommendation. Do you want the shortfall appeal to be considered by the Commissioner without a recommendation by the School Property Tax Control Board? Yes\_\_\_\_ No \_\_\_\_**

1. State the taxing year(s) for which this appeal is to be considered and the amount to be considered for each year.

Year _____	Amount _____
Year _____	Amount _____
Year _____	Amount _____

2. The following information is required to be attached to this document for appeal consideration:

- (a) County Form 127CER (Register of Certificates of Error) for the year(s) in which the shortfall occurred for each taxing district of which the unit is a taxing entity.
  - (b) County Form 17TC (Certificate of County Auditor of Tax Refund Claims) for each taxing district of which the unit is a taxing entity. Refunds must clearly indicate the assessment year for which the refund is claimed.
  - (c) County Form 22 (County Auditor's Certificate of Tax Distribution) for each year the unit is claiming a property tax shortfall.
3. In the past three (3) years, has the unit experienced a Levy Excess? [ ] Yes [ ] No  
(If yes, state the taxing year and amount)

4. Shortfall Calculation: Year\_\_\_\_\_

General Fund:

Certified Property Tax Levy less Charter School Levy \_\_\_\_\_

June Property Tax Distribution \_\_\_\_\_

+ December Property Tax Distribution\_\_\_\_\_

= Total Property Tax Distribution \_\_\_\_\_

Certified Levy minus Distribution equals shortfall \_\_\_\_\_

Transportation Fund:

Certified Property Tax Levy \_\_\_\_\_

June Property Tax Distribution \_\_\_\_\_

+ December Property Tax Distribution\_\_\_\_\_

= Total Property Tax Distribution \_\_\_\_\_

Certified Levy minus Distribution equals shortfall \_\_\_\_\_

## **EMERGENCY FINANCIAL RELIEF OR REFERENDUM**

**SCHOOL CORPORATION:** \_\_\_\_\_

**COUNTY:** \_\_\_\_\_

Please supply the following information to expedite review of your petition for Emergency Financial Relief. Information for the current year is shown in the left column; information for next year is shown in the right columns.

### **SECTION I FINANCIAL STATEMENT**

#### **GENERAL FUND ESTIMATE**

#### **ACTUAL**

**Year 20**\_\_\_\_\_ **Year 20**\_\_\_\_\_

1. Property Tax levy	_____	_____
2. Levy excess	_____	_____
3. PTRC from CAGIT	_____	_____
4. Miscellaneous Revenue:		
Excise, CVET and FIT	_____	_____
Revenue from St. of IN	_____	_____
Tuition Support Grant	_____	_____
Special & Voc. Educ. Grants	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
Federal Aid	_____	_____
Lake & Dearborn Supp. Co. Tax	_____	_____
Other misc. revenue	_____	_____
<b>TOTAL MISC. REVENUES</b>	_____	_____
(amount should match form 2 Col. B)		
5. January 1 cash balance	_____	_____
6. Total Revenue (line 1 through 5):	_____	_____
7. DLGF approved budget	_____	_____
8. Encumbered appropriations	_____	_____
9. Beginning appropriations (7+8)	_____	_____
10. Surplus funds (6-9)	_____	_____
11. Amount appropriated since Jan. less any reduction in appropriations.	_____	_____
12. Projected balance (deficit)	_____	_____

## SECTION II CURRENT EXPENDITURE COMPARISON

For the last 5 full years, complete the following information about your General Fund current year revenues and expenditures.

<u>Year</u>	<u>Revenues</u>	<u>Expenditure</u>	<u>Surplus or Deficit</u>
2006	\$ _____	\$ _____	\$ _____
2005	\$ _____	\$ _____	\$ _____
2004	\$ _____	\$ _____	\$ _____
2003	\$ _____	\$ _____	\$ _____
2002	\$ _____	\$ _____	\$ _____

**Note:** Attach an explanation for any year in which your property tax settlements were not distributed in the normal cycle.

### **Additional information:**

1. On a separate sheet of paper, list all school corporation employees whose salaries are wholly or partially paid from the General fund. List each employee by title or function, annual gross salary, and location employed. *Do not include social security information.*
2. Identify the type and number of all school corporation owned vehicles (other than school buses) and what they are used for. Identify any employees that are supplied vehicles, housing, etc., for their personal use, and the reason for this expenditure.
3. Has your school corporation purchased school buses from its General Fund during the last 5 years, other than using the proceeds of a school bus loan? ( ) Yes ( ) No If yes, indicate the date and cost.



4. Identify any parks or other facilities, excluding classroom buildings that the school corporation owns or operates and explain how use of that facility is directly related to the education of children. Indicate the annual operating expense for each location, what fees are charged, and your system of accounting for those fees.
  
  
  
  
  
  
  
  
  
  
5. Identify any stadiums or facilities with spectator seating, its seating capacity and present use.
  
  
  
  
  
  
  
  
  
  
6. What is your present number of attendance centers? \_\_\_\_\_. Has building consolidation been considered/implemented within the last 5 years? ( ) Yes ( ) No  
Are you presently considering any closings? Please elaborate. Attach a copy of any needs assessment study recommending closing or building consolidations within the last 5 years.

7. What has been the school corporation's history of salary increases (negotiated and non-negotiated) for the last 5 years? Express in percentages, increments, etc., and its impact upon General Fund. Group your explanation into these classifications:

- A. Classified (non-certified)
- B. Certified
- C. Administrators not subject to collective bargaining

**Attach a copy of your scattergram for teacher salary schedules.**

Shows the number of teachers on each step of the salary schedule.

8. Describe your current employee health care package (both active and retired), its cost to the school corporation and each employee (co-pay and/or payroll deductions) and how this coverage has changed during the last 5 years. Also include what health insurance cost containment measures have you taken in the last 5 years.

9. Describe your school corporation's current early retirement and severance pay policies.

10. What proposed solutions can you offer to solve the school corporation's financial problems? Include both short-term and long-term proposals.

11. Have you considered a referendum to solve your funding needs? ( ) Yes ( ) No

Do you believe that the majority of voters in your school district would support funding your present financial/educational policies by voting in a referendum for an increase in property taxes? Cite evidence.

12. Have your accounting practices been the subject of exception in the most recent Board of Accounts audit? ( ) Yes ( ) No  
If yes, attach a copy of the audit report and an explanation.

13. Do the superintendent and school board members receive monthly financial statements?  
( ) Yes ( ) No If no, attach an explanation. If yes, attach the most recent report.

14. Does the school corporation pay its bills (vendors, obligations)?  
a. ( ) at the end of each month: or,  
b. ( ) within 30 days of the end of each month; or,  
c. ( ) within 60 days of the end of each month; or,  
d. ( ) more than 60 days after the end of each month.

15. Does the corporation own and operate its own school bus fleet: ( ) Yes ( ) No  
If no, describe your contractual arrangements. Are you paying the fringe benefits for contracted drivers? ( ) Yes ( ) No If yes, indicate how much and what fund these costs are paid from.

16. Has the school corporation discussed or contracted for a management study of its operations  
for possible cost savings? ( ) Yes ( ) No. Attach a copy of any study within the last 5 years and its cost.

17. Has the County Board of Tax Adjustment or the Department of Local Government Finance reduced your adopted a General Fund budget within the last 5 years?  
( ) Yes ( ) No If yes, list the year's proposed budget and the certified budget.

18. List the amount, annual premium, and deductible of each current property insurance policy.

19. What insurance premium savings would you experience by establishing a Repair and Replacement Fund?

20. List any buildings that are owned by a school building (or holding) corporation, when you anticipate concluding the lease agreement, and their cash balance, as of last January 1<sup>st</sup>.

21. Do any of the building corporations have a sufficient balance to redeem any outstanding bonds? ( ) Yes ( ) No

22. Do you presently have a Construction Fund? ( ) Yes ( ) No If yes, indicate the cash balance: \$\_\_\_\_\_ Date: \_\_\_\_\_

23. Attach a copy of your most recent Form 9. A computer printout is acceptable.

24. What bonded or lease rental indebtedness has been incurred during the last 5 years? List by issue, term, and amount.

25. If Emergency Financial Relief is not granted, explain the steps that you would take to limit school corporation expenditures to revenues available.

26. At what point, in relation to your present taxing ability, do you believe that consideration for the tax burden to property owners exceeds the need for additional programs or signal the need for moderation?

27. Pursuant to IC 20-45-6-2 (g), emergency financial relief can be granted in the form of:

- “1) a grant or grants from any funds of the state that are available for such purpose;
- 2) a loan or loans from any funds of the state that are available for such purpose;
- 3) permission of the appellant school corporation to borrow funds from a source other than the state or assistance in obtaining the loan;
- 4) an advance or advances of funds that will become payable to the appellant school corporation under any law providing for the payment of state funds to school corporations;
- 5) permission of the school corporation to:
  - (C) cancel any unpaid obligation of the appellant school corporation’s general fund to the appellant school corporation’s cumulative building fund; or
  - (D) use for general fund purposes, any unobligated balance in the appellant school corporation’s cumulative building fund and the proceeds of any levy made or to be made by the appellant school corporation for the appellant school corporation’s cumulative building fund;
- 6) permission to use, for general fund purposes, any unobligated balance in any construction fund, including any unobligated proceeds of a sale of the school corporation’s general obligation bonds; or
- 7) a combination of the emergency financial relief described in (1) through (6).

The control board may also recommend an excessive tax levy for the ensuing year. However, the excess tax levy requires a *referendum* be conducted in accordance with law.

**What form of emergency financial relief is the school corporation seeking? Please explain.**

28. For a referendum appeal, what is the specific tax rate and term requested for the appeal?

Amount: \_\_\_\_\_

Term: \_\_\_\_\_

**\*The school corporation will be held to the lesser of the advertised or adopted rate or levy for referendum purposes.**

**Document prepared by:**

\_\_\_\_\_ **Title:** \_\_\_\_\_ **Date:** \_\_\_\_\_